
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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To: Taxing Units

**From: Beth Henkel, Commissioner
Department of Local Government Finance**

Re: Levy excess

Date: October 20, 2003

This memorandum is written in response to inquiries concerning the Department of Local Government Finance's calculation of levy excess for calendar year 2003. Many units have expressed concerns that reassessment delays will cause collections and even bills for 2003 to extend into 2004. These units have questioned whether funds collected in 2004 that were for the 2003 budget will be credited to 2004, thus resulting in an excess levy.

The Department has extended the due dates for taxes due and payable in 2003, upon request, in several counties because of the inability to get bills out due to reassessment delays. Nonetheless, once bills are issued, the funds collected will be attributable to the 2003 budgets and levies. For taxing units that receive 2003 property tax revenues in 2004, the Department will calculate levy excess as though the revenue was distributed in 2003. The taxes were due and payable in 2003, and the statutory formula requires treatment of the revenue as such.

For purposes of fixing local unit budgets and imposing property tax limits in 2005, the Department will treat any levy excess from 2003 as part of its ad valorem property tax levy for that same year (2003). For accounting purposes, taxing units will post the distribution as 2004 revenue.

Questions concerning this memorandum can be directed to Melissa Henson, Director of the Budget Division, at 317-232-3773.